VZCZCXRO3464 OO RUEHCHI RUEHDT RUEHHM DE RUEHBK #2855/01 1430406 ZNY CCCCC ZZH O 230406Z MAY 07 FM AMEMBASSY BANGKOK TO RUEHC/SECSTATE WASHDC IMMEDIATE 7091 INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS RUEHBJ/AMEMBASSY BEIJING 4221 RUEHBY/AMEMBASSY CANBERRA 7134 RUEHUL/AMEMBASSY SEOUL 3109 RUEHKO/AMEMBASSY TOKYO 9260 RUEATRS/DEPT OF TREASURY WASHINGTON DC RHHMUNA/CDR USPACOM HONOLULU HI RUEKJCS/SECDEF WASHINGTON DC RHEFDIA/DIA WASHDC RUEAIIA/CIA WASHINGTON DC RHEHNSC/NSC WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 BANGKOK 002855

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DEPT FOR EAP, EAP/MLS NSC FOR MORROW

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SUBJECT: A/S HILL'S MEETING WITH PRIME MINISTER SURAYUD

Classified By: Ambassador Ralph L. Boyce. Reason 1.4 (b,d)

 $\P1.$ (C) Summary. In a meeting with Prime Minister Surayud Chulanont on May 22, EAP Assistant Secretary (A/S) Christopher Hill welcomed advances to date in Thailand's return to democracy and underscored the importance of continued progress ahead of the September U.S-ASEAN summit in Singapore. PM Surayud affirmed his commitment to the timetable and said that he is exploring ways to accelerate the effort. The Prime Minister expressed optimism on the Thai economy and said that violence in the Malay-Muslim South has decreased. Surayud hopes that nascent dialogue between the government and insurgents will produce results by August. The PM detailed improved regional cooperation between Thailand, Laos, Cambodia and Vietnam, but bemoaned Burmese intransigence. Surayud also expressed concern over the recent signing of a nuclear cooperation effort between Burma and Russia. A/S Hill thanked the Prime Minister for Thai cooperation on Cobra Gold and refugees. End Summary.

12. (U) Participants:

U.S.

Assistant Secretary Christopher Hill Ambassador Ralph L. Boyce EAP Special Assistant Tom Gibbons PolOff David Greenberg PolOff Trent Wilson (notetaker)

Thai

Prime Minister Surayud Chulanont Foreign Minister Nitya Pibulsonggram

Secretary General to the Prime Minister Pongthep Tesprateep

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MFA Deputy Director General Apirath Vienravi Other unidentified staff members

DEMOCRACY TIMELINE

 $\P 3$. (C) Referencing his prior meeting with FM Nitya (septel), A/S Hill welcomed the news that RTG efforts to promulgate a

new constitution and hold elections in December are on track. PM Surayud affirmed his commitment to this timetamble. Surayud explained that he is looking for ways to accelerate this process by starting preparations for the election--such as drafting election laws--earlier than scheduled. PM Surayud confirmed that the draft constitution should be completed in July and put to public referendum in early September. The Prime Minister said that the constitution drafters will probably drop some of the more controversial points in the draft charter, allowing for easier passage. Tabulating the vote should take about a week, in the PM's opinion. A/S Hill underscored the positive timing of the referendum, coming only days before senior leaders gather in Singapore for a U.S.-ASEAN Summit meeting. A/S Hill explained that senior U.S. policymakers continue to be very interested in Thailand's progress in returning to democracy, and that a completed referendum will provide a positive marker for the Singapore meetings. PM Surayud expressed hope that he might meet with President Bush in Singapore.

14. (C) Surayud maintained that Thailand has come a long way since the coup. He expressed appreciation for U.S. understanding of the Thai political situation. In Surayud's assessment, his government is trying to solve an internal political problem by establishing a "more practical way of doing things." Surayud said that he is trying to establish a better political foundation in order to get "a decent government for this country." As part of his efforts, the PM is also pushing a new bill in the legislature, similar to the U.S. Homeland Security Act. In reference to an issue that has put him at odds with the uniformed military of late, Surayud said that he wants to move the government away from a reliance on martial law to deal with internal security issues. "Martial law is strictly for times of war."

According to Surayud, this new law would not be as strict as the Malaysian or Singaporean Internal Security Acts, and he

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hopes to move it through the legislature in June. A/S ${\tt Hill}$ urged the Prime Minister to approach this issue in a careful manner.

ECONOMY

15. (C) Surayud was optimistic about Thailand's economic growth. The PM said that he expects third and fourth quarter growth to increase, putting year-end growth at 4.2-4.5 percent--on track with last year's figures. Surayud acknowledged that the uncertain political climate had briefly impacted the domestic stock market and that it was his duty to improve public confidence in his government's stability. People in the countryside are looking forward to the next election, according to Surayud, suggesting that progess towards the election will improve market confidence.

SOUTH

16. (C) A/S Hill asked for an update on the South. The Prime Minister claimed that the degree of violence in Thailand's three southern provinces has decreased, and that southern insurgents have limited their operations to certain districts. Surayud explained that his government was trying to persuade the insurgents to engage in dialogue with the RTG officials and he hopes to see results from this effort before August. When asked about Thai-Malaysian cooperation on the South, the PM affirmed that they are working "hand-in-hand." According to Surayud, Malaysian Prime Minister Abdullah has told him that southern violence is not just a Thai, but also a Malaysian problem.

COBRA GOLD

17. (C) A/S Hill pointed to the recently completed Cobra Gold

exercise as evidence of the strong U.S.-Thai bilateral partnership. Surayud agreed that Cobra Gold had been a success.

REGIONAL COOPERATION

¶8. (C) Drawing from his conversation with FM Nitya, A/S Hill asked about Thailand's cooperation with neighboring countries. PM Surayud explained that RTG cooperation with Cambodia, Laos and Vietnam was on the upswing, with several new road and bridge projects underway. According to Surayud, Thailand's neighbors have historically kept to themselves, but are now increasingly energized in their interactions with the RTG, leading to new platforms for cooperation. A/S Hill welcomed this changing dynamic, but expressed some concern over Vientiane's unenthusiastic response to increasing engagement. Surayud agreed, saying that the Lao "tend to be reserved" and warning that, if the GOL does not "catch this train" they may lose out. The Prime Minister also agreed with A/S Hill's observation that Hanoi appears much more energized when engaging foreign partners. Surayud explained that Vietnamese officials have also encouraged Laos and Cambodia to improve their cooperation with the RTG.

BURMA

19. (C) Following a brief discussion of the North Korean nuclear issue, Surayud expressed concern over the recent announcement of nuclear cooperation between Russia and Burma. A/S Hill asked the Prime Minister if he had any proposals on this subject, pointing to the incalcitrant nature of the Burmese junta, and Rangoon's disregard for international opinion. A/S Hill went on to illustrate how other countries of the region are modernizing and improving governance, while Burma is moving backward.

REFUGEES

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- 110. (C) A/S Hill thanked Surayud for his government's efforts to assist North Korean refugees. Surayud bemoaned the large number of refugees from multiple countries in Thailand. The PM explained that nearly one million ethnic minorities from Burma are working illegally in Thailand and RTG efforts to establish a "guest worker" program have met with silence from Burmese officials. Surayud said that the RTG has tried to get the Burmese government to acknowledge the citizenship of ethnic minorities living Thailand, in order to legalize them as guest workers, but the Burmese refuse to cooperate.
- $\underline{\P}11.$ (U) A/S Hill did not have an opportunity to clear this cable. BOYCE